



Rule Up For Final Action

Proposed New Section

WAC 230-04-208

Problem gambling awareness and training fee.

ITEM 10 (a) on the November 19, 2004, Commission Meeting Agenda.

Statutory Authority 9.46.070

Who proposed the rule change?

Staff.

Why is this rule change needed?

Engrossed Substitute House Bill 2459, Supplemental Budget Fund Transfer, passed during the 2004 Legislative Session. The bill was to remove \$3 million from the Commission's budget, with \$500,000 of that amount directed to problem gambling treatment programs, if another bill passed (HB 2776). The Commission sent a letter to the Governor supporting problem gambling, but opposing the fund transfer. In the end, \$2.5 million was transferred from the Gambling Revolving Fund; however, the Governor vetoed the transfer of \$500,000 for problem gambling and requested the Commission resume its contributions to problem gambling. The Commission recently authorized an additional \$150,000 for problem gambling training and awareness services in fiscal year 2005.

This new fee would provide a stable funding source of approximately \$232,000 each year for a problem gambling helpline, and training and awareness services (RCW 9.46.071). The fee would be paid by licensed charitable/nonprofit and commercial organizations.

September Agenda Version: Language was added to the title to clarify the fee will be used for "public awareness and training" as set forth in RCW 9.46.071.

Changes made after the September Meeting:

1) November Agenda Version: The rule was rearranged to include subsections to make it easier to read.

2) Alternative #1: In a letter dated October 7, 2004, the Recreational Gaming Association (RGA) requested a sunset clause be included in the rule. If the Commission chooses to include a sunset clause, staff propose using the language provided in Alternative #1, rather than the language proposed by the RGA.

Housekeeping: The rule was rearranged to include subsections.

Attachments:

RCW 9.46.071 Information for compulsive gamblers.

Examples of how much the proposed 2-4% fee will be for some licensees.

Letter from Governor Locke dated April 1, 2004 (see page 4).

Letter dated September 12, 2004, from Michael Transue, Washington Restaurant Association.

Response e-mail dated October 28, 2004, from staff to Mr. Transue.

Letter dated October 7, 2004, from the Recreational Gaming Association.

Response letter dated November 29, 2004, from staff to the Recreational Gaming Association.

Statements against the proposed rule change.

At the August and September Commission meetings, Dolores Chiechi, representing the Recreational Gaming Association, testified against the proposed fee.

Ms. Chiechi sent a letter dated October 7, 2004, requesting a sunset clause be added to the rule.

Michael Transue, Washington Restaurant Association, requests the Commission defer consideration of the fee.

Which licensees will be directly impacted?

Licensed commercial and charitable/nonprofit organizations.

What are the potential impacts to the agency?

Some impacts to process fees collected. However, it will offset the need for future cuts in the agency's budget to fund problem gambling services.

Staff recommendation.

Adoption.

Proposed effective date.

June 30, 2005.